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ORIGINAL

**Qwest.**

*Spirit of Service*

November 8, 2002

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**EX PARTE**

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Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D C. 20554

EX PARTE OR LATE FILED

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**Re: WC Docket No. 02-314 -Application of Qwest  
Communications International Inc. for  
Authorization to Provide In-Region, InterLATA  
Service in the States of Colorado, Idaho, Iowa,  
Montana, Nebraska, North Dakota, Utah,  
Washington and Wyoming**

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Dear Ms. Dortch:

Qwest Communications International Inc. ("Qwest") submits this filing in response to questions raised by Commission staff in connection with billing.

Performance Under BI-SA and BI-4A

Commission staff has asked Qwest to provide an explanation for Qwest's performance under BI-SA (Billing Accuracy) in Nebraska in August, and in Washington in July and August, and to describe any associated action Qwest has taken to ensure that its billing accuracy **is** at parity.

*Nebraska in August:* Qwest did not meet the parity standard for Nebraska in August because Qwest included a timely cost **docket** implementation in its reporting that should have been excluded. The new cost docket changed the rates for certain products and services, which required Qwest to issue credits or adjustments. Because Qwest implemented the cost docket on a timely basis, the credits and adjustments that impacted BI-SA should have been excluded. Qwest plans to exclude adjusted dollars under BI-

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3A due to timely implemented cost dockets in the future. The enhancement should be in place in December 2002, and should prevent Qwest's results under BI-3A from being negatively affected when Qwest implements a new cost docket on a timely basis.

*Washington in July:* Qwest did not meet the parity standard under BI-3A in Washington in July for two reasons. First, Qwest billed operator assistance and directory assistance calls at an incorrect rate. When this was discovered, Qwest issued adjustments to the affected CLECs. The incorrect rates have since been corrected. The second reason Qwest missed the parity standard in July was because of true-up adjustments associated with non-recurring charges ("NRCs"). In January 2002, certain NRCs began billing a charge where the rate previously had been zero. Due to an inadvertent error, the rates were not updated for the USOCs and Qwest continued to bill at a zero rate. In June 2002, Qwest corrected the rates and issued adjustments to the one affected CLEC. This was a one-time error that has since been corrected and is not expected to recur.

*Washington in August:* Qwest did not meet the parity standard in Washington in August because Qwest implemented voluntary rate reductions. Specifically, Qwest lowered the rates it charges CLECs for certain services and performed true-up adjustments to the effective date of the changed rate. Notably, this was a one-time rate reduction that benchmarked UNE and Resale rates and not a systemic billing failure on Qwest's part. Rather, it was the simplest way of adjusting the rates Qwest charges and crediting CLECs the difference.

Notwithstanding the above-discussed misses, in both Nebraska and Washington Qwest's performance has been exceedingly strong. With only minor exceptions, Qwest has provided CLECs with accurate bills under BI-3A 95% of the time in these states in the past year, a level of performance the Commission approved in Bell South's recent five-state application.<sup>1</sup>

Commission staff also has asked Qwest to provide an explanation for Qwest's performance under **BI-4A** (Billing Completeness), in light of the process change that Qwest implemented in February 2002. In the Qwest I proceeding, Qwest described why it occasionally did not meet the parity standard for BI-4A beginning in February 2002.<sup>2</sup> In some states, Qwest

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<sup>1</sup> See *Alabama, Kentucky, Mississippi, North Carolina, South Carolina* 271 Order at ¶ 174

See Qwest I OSS Decl. at ¶¶ 556 & n. 786, 559, 562, 564-65, 568

missed the parity standard because certain Unbundled Loop Disconnect Orders did not complete in time to be included on the next available bill.<sup>3</sup> In Qwest's Eastern region, a systems process occasionally pulled one to two days early the posted service orders that were to be included on the next available bill, which prevented those service orders posted on the actual bill date from being included on the next available bill.<sup>4</sup> After identifying these issues in February 2002, Qwest later implemented various system enhancements designed to prevent these same occurrences from negatively affecting Qwest's performance on BI-4A. Beginning in April, the daily internal reporting requirement each billing center maintained to track Qwest's performance ensured that the same Unbundled Loop Disconnect Orders indeed were being included on the next available bill.

Although Qwest has not achieved parity under BI-4A in every state for every month, Qwest's overall ability to provide CLECs with complete bills, as reflected under BI-4A, remains strong. In fact, with very few exceptions, Qwest provided complete bills to CLECs (as measured under BI-4A) more than 95% of the time in the nine Application states over the past year.

#### Eschelon's Allegations Regarding Usage

Commission staff asked Qwest for an update on its investigation of Eschelon's allegation that Qwest is not providing it with accurate and complete records of switched access minutes of use ("MOU"). Eschelon claimed that a third party testing organization determined in May 2002 that, "approximately 22% of the calls made for which Qwest was responsible for providing access records still remain unaccounted for . . ."<sup>5</sup> As explained more fully below, these alleged misses were, for the most part, not misses at all.

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<sup>1</sup> See *id.* at ¶¶ 559, 562, 568.

<sup>4</sup> See *id.* at ¶ 564.

<sup>5</sup> See Eschelon Qwest I]] Comments at 50.

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Extrapolating this analysis for all of Eschelon's usage records can explain why Eschelon experienced a drop in access usage volumes during August and September. As previously noted, a more detailed analysis can be performed only if Eschelon provides Qwest with more specific information regarding its claims.

#### Update on Process Improvements

Qwest also submits this filing to update the Commission of the progress it has made in enhancing its EDI bill generation process. Since October 2002, Qwest has implemented BOS-billing for analog loops and expects to do so for digital loops on December 31, 2002.

As explained in earlier filings, Qwest uses the same CRIS data source to create both paper and EDI electronic bills.<sup>6</sup> In the existing bill configuration process, data are generated at different points in the bill cycle for paper and electronic bills.<sup>7</sup> If the paper and electronic bills do not match, Qwest uses a mechanized process to pull the electronic bill from distribution.<sup>8</sup> Qwest personnel then compare the electronic bill to the paper

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<sup>6</sup> See Qwest I OSS Declaration at ¶ 500; Qwest I OSS Reply Declaration at ¶ 191, Qwest II OSS Declaration at ¶ 483, n 698, Qwest II OSS Reply Declaration at ¶ 288. See also Qwest Addendum at Tab 5, p 14.

*See Id*

<sup>8</sup> *See Id*



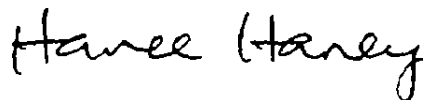
bill, correct any discrepancies, and load the corrected bill into the appropriate format for transmission to the CLEC.<sup>9</sup> The process currently in place, although not fully mechanized, allows Qwest to provide accurate EDI bills to CLECs that match the paper bills. With this process in place, no CLEC has complained that its EDI bill does not match its paper bill

Even though the current process is working to provide accurate EDI bills to CLECs, Qwest is continuing to develop a fully automated process. This process was projected to complete on November 15, 2002. But the project was delayed by additional complexities that Qwest discovered during the development and testing processes and because the scope of the automation project was broadened to accommodate the unique requirements of the new BOS-formatted bill.

Qwest has continued to work diligently to address all issues that have arisen in the course of implementing a fully automated bill matching process. Qwest is continuing to test the new EDI bill generation process through an iterative approach, and expects to establish a new implementation date by the end of November.

The twenty-page limit does not apply to this filing.

Respectfully submitted,

Handwritten signature of Hamee Haney in black ink.

cc: E. Yockus  
M. Carowitz  
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R. Harsch  
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<sup>9</sup> See *id.*

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